

E-rate in Alaska

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What is E-rate?

Universal service is based on the principle that all Americans should have access to a baseline level of telecommunications service and further the public interest of keeping Americans connected.

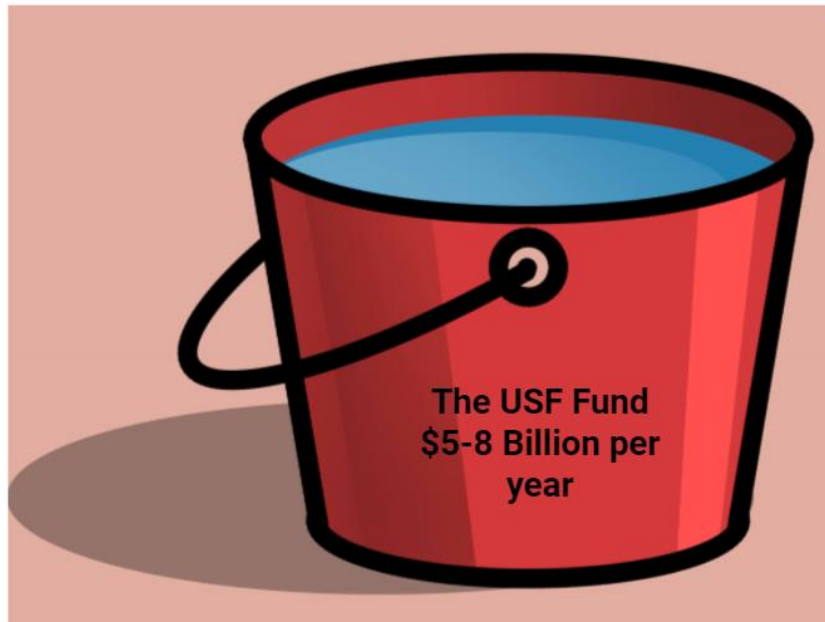
This is the founding principle of the Communications Act of 1934, which established universal service in legislation and created the FCC. The establishment of the Universal Service Fund in 1997 advances this founding principle.

The **1934 Communications Act** of Congress created the Federal Communications Commission (FCC). The job of the FCC was *and still is* to implement and administer regulation for interstate communication platforms.

Fast Forward to 1996.....

The 1934 Communications Act was rewritten and is now called the **Telecommunications Act**. It includes new technologies (*think Internet*) and to codifies the concept of "Universal Service" by creating a fund to ensure that all Americans have access to basic telecommunications. **This was the genesis of what we know as E-rate.**

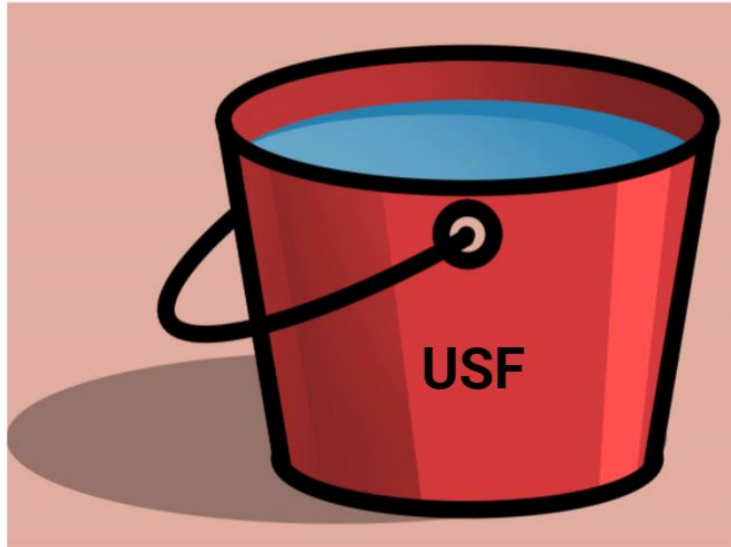
How is E-rate Funded?



Consumers pay a fee to providersand
the bucket fills

Federal Excise Tax		\$0.72
Federal Universal Service Fund Surcharge		\$2.50
Network Access Fee		\$3.69
Regulatory Cost Charge		\$0.42
Subscriber Line Charge		\$6.50
Universal Access Surcharge		\$0.09
		\$44.94
Alaska Universal Service Fund Surcharge		-\$0.38
Federal Excise Tax		-\$0.04
Federal Universal Service Fund Surcharge		-\$0.18
Regulatory Cost Charge		-\$0.05
		-\$0.65

Where does E-rate fit within Universal Service?

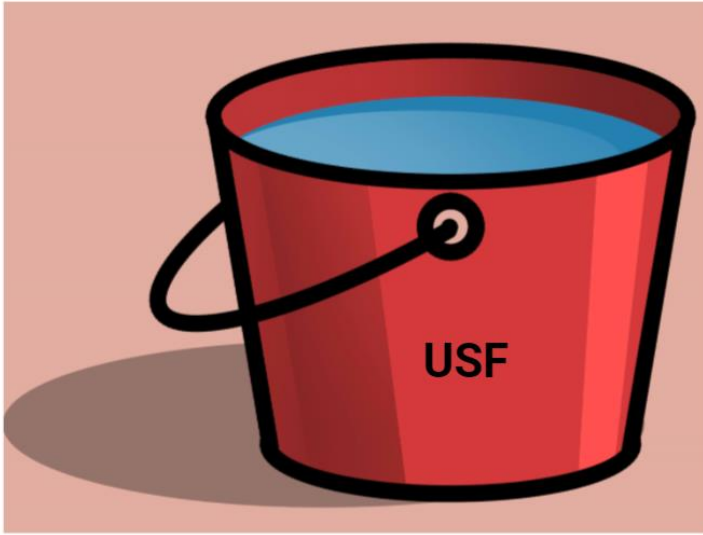


4 Universal Service Programs drawn continuously from this USF “bucket”. They are:

- ***Schools and Libraries (E-Rate)***
- ***Rural Health Organizations***
- ***Low Income Americans***
- ***High Cost for Eligible Service Providers***



E-rate is slang for “Education Rate”



*Schools and Libraries, considered to be **educational** organizations, are referred to as E-rate.*

***E-rate is capped at \$4.15Billion/yr** with the cap being indexed to inflation.*



Who Can Get E-rate Discounts?

To get E-rate Discounts you must be able to satisfy all 4 of these criteria:

Eligible Entities Schools (public and Private) K-12 and Public Libraries

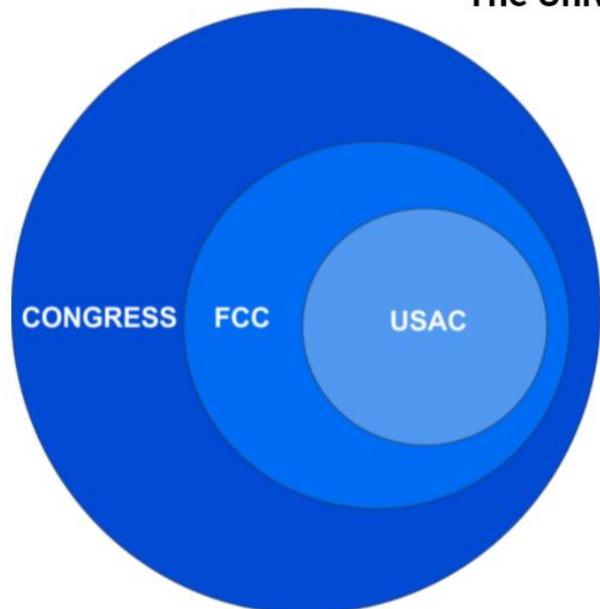
Eligible Purpose Education of eligible students (schools) and public (libraries)

Eligible Service Eligible Services List defines what is eligible

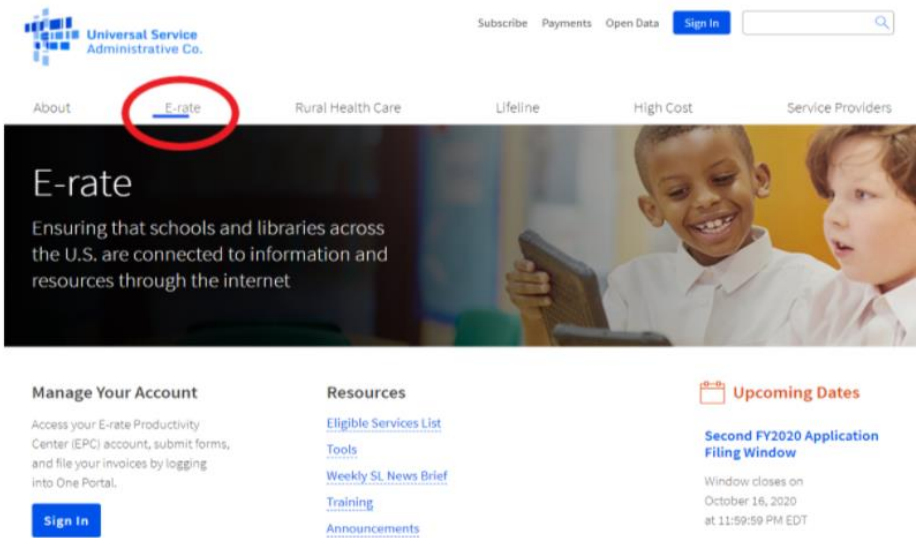
Eligible Location On the school or library campus only



How does the FCC administer this \$4.15 Billion annually?



The Universal Service Administrative Company (USAC)
<https://usac.org/erate/>



E-rate
Ensuring that schools and libraries across the U.S. are connected to information and resources through the internet

Manage Your Account
Access your E-rate Productivity Center (EPC) account, submit forms, and file your invoices by logging into One Portal.
[Sign In](#)

Resources
[Eligible Services List](#)
[Tools](#)
[Weekly SL News Brief](#)
[Training](#)
[Announcements](#)

Upcoming Dates
Second FY2020 Application Filing Window
Window closes on October 16, 2020 at 11:59:59 PM EDT

What does E-rate Pay for?

Each year the FCC approves a list of eligible services.

This list is commonly referred to as the Eligible Service List (ESL). It is soon to be released for the upcoming Funding Year 2021. The timing of the release of the ESL typically sets the timing for the upcoming funding window.



E-rate supports both the connection and the infrastructure

Category One:

Broadband services from the service provider to the schools and/or libraries.

Category Two:

Network equipment and services for the **management** and **maintenance** of that equipment used for broadband connectivity within schools and libraries.



Broadband Connection types.....

E-rate is *technology neutral*

- Broadband over Power Lines
- Cable Modem
- DS-1, DS-2, DS-3, DS-4
- Ethernet
- Leased Dark Fiber
- Self-Provisioned Network
- Satellite Service
- Microwave
- Multi-Protocol Label Switching (MPLS)



Infrastructure support is limited

- Network Cabling
- Wireless Access Point
- Switch
- Router
- Repair and upkeep of eligible hardware
- Wire and cable maintenance
- Basic technical support



How much can a District or Library Get in Discounts?

Discounts depend on two factors:

- The level of poverty (the percentage of NSLP* eligibility) in the school district.
- The urban or rural status of the school district or library system.
 - *NSLP = National School Lunch Program



How NSLP is translated into a discount %

INCOME Measured by percentage of students eligible for NSLP	DISCOUNT	
	URBAN	RURAL
Less than 1%	20	25
1% to 19%	40	50
20% to 34%	50	60
35% to 49%	60	70
50% to 74%	80	80
75% to 100%	90 for C1, 85 for C2	90 for C1, 85 for C2



Who Applies in Alaska?

Number of Districts	54
Number of Libraries	73 (including 6 tribal libraries)
Number of Private Schools	6
Number of Ed Service Agencies	2



How much in E-rate Dollars does Alaska Get?

For the funding year that we are currently in.....

C1 Funding requests (217 FRNS in total)

Total Eligible Annual Pre-discount Broadband Cost	\$144,441,893
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Total Annual E-rate Discount Request on Broadband	\$127,117,354
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C2 Funding Requests

Total Pre-discount Cost	\$ 4,287,738
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Total Annual E-rate Discount Request	\$ 3, 112,014
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State Support for Non-Discounted Cost

- Schools: **School BAG**
 - *School Broadband Assistance Grant*
- Libraries: **OWL**
 - *Online with Libraries*



Questions?

